

Exhibit 28

Apple HR

R³

Review. Recognize. Reward.

FY08

July 2007

EXHIBIT 1861
Deponent Burneist
Date 3-15-13
Gina V. Carbone, CSR

1861.1

Today's meeting

Overview

- Apple's R³ philosophy
- Performance Review philosophy and process
- Compensation Philosophy and process
- Performance Review conversation
- Employee conversation
- Q&A / Wrap up

18261.2

Apple R³

Review. Recognize. Reward.



3

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18213

Apple R³ Philosophy Review

- Look back

[REDACTED]

[REDACTED]

[REDACTED]

- Look forward

[REDACTED]

[REDACTED]

[REDACTED]

1861.4

Apple R³ Philosophy

Recognize

- Emphasize accomplishments
- Thank the employee for specific contributions
- Acknowledge employee's career goals and aspirations
- Recognize your own commitment to revisiting goals and objectives throughout the year

1821.5

Apple R³ Philosophy

Reward

- Three core compensation elements help motivate employees
 - Base salary: To stay competitive
 - Bonus: To reward outstanding achievement
 - Stock: To invest in long-term motivation and retention
- Changes must be commensurate with contribution and performance

• [REDACTED]

[REDACTED]

- [REDACTED]

[REDACTED]



TODD TO SEND NEW COPY FOR THESE SLIDES Use as speaker notes. NO CHANGE.
TB

182d.6

Apple (Need to Know Confidential)

Performance Review Philosophy

Transition to next section: "Let's go into more depth about the reviews and the total rewards planning tool. Starting with reviews..."

1861.7

Why Do Performance Reviews?

- It is an important tool for developing our employees
- It strengthens our ability to create a strong bench, promote people, and achieve company goals and objectives
- It's the right thing to do for our business and our people

18 Jul 13

Performance Review Philosophy

The Performance Review is one important tool we have as part of a performance management process. We manage performance by setting goals, providing feedback and coaching, and recognizing and rewarding performance. These activities take place throughout the year, and the Performance Review is the culmination of these activities; it's a time when employees count on getting feedback, appropriate compensation, and have the opportunity to discuss their development.

1821.9

Why Have Focus Areas?

[REDACTED]

1826. 10

Performance Review Process

Transition to this section: "Once you're ready, you'll go into Merlin to complete the review...."

Use the slides that follow to walk through the process

18.1.11

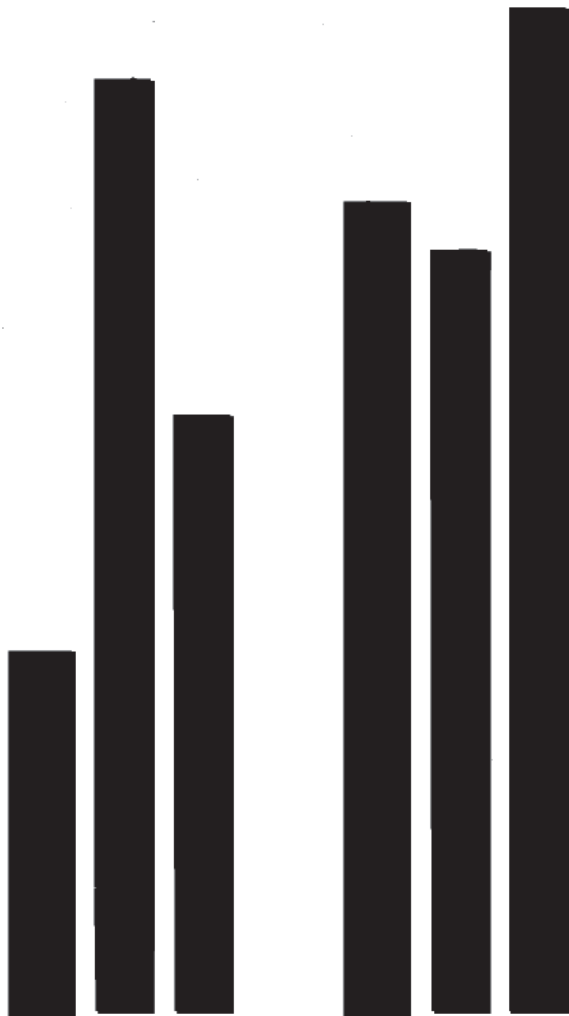
Performance Review - The Basics

It's online

- [REDACTED]
- Solicit additional feedback from other employees or from self review as appropriate
- [REDACTED]
- [REDACTED]

18 Oct. 12

Performance Review - The Basics



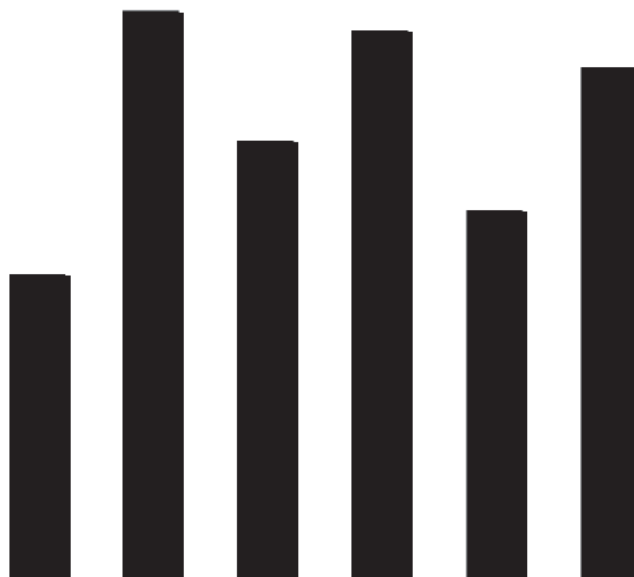
Transition to this slide: "Let's look at who gets a review and what specifically you need to do..."

Recommend that review conversations include both performance feedback and information about compensation

196.13

Performance Review - The Basics

Rating scale



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14

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1861.14

Performance Review - The Basics

What's new?

This year there are a number of system enhancements to [REDACTED] which will allow you to more easily:

- Write
- Review
- Share
- Get feedback
- Administer reviews

1861.15

Performance Review - The Basics

System Enhancements

- Request employee feedback
- Update without acknowledgment

- [REDACTED]

- [REDACTED]

- Review preview functionality

- [REDACTED]



16

Transition to this slide: "So, what's different this year..."

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18 Jul. 14

Performance Review - The Basics

How you can prepare

- Think about your employee's performance since last review.
 - What were their goals?
 - What were their key achievements?
 - What didn't they achieve that you had expected they would?
- Identify core messages
- Collect employee input (optional)
- Collect employee self-assessment (optional)

12.1.17

Review routing process

Review initiated by you



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18261.18

Review routing process

Review initiated by you



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6/19/13

Review routing process

Review initiated by you



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18 Jul. 20

Review routing process

Review initiated by you

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1861.21

To start a review

My Organization

- Your direct reports
- Most common initiation point



18 Jul. 22

To start a review Other People

- Allows review to be started by:
 - Previous manager
 - Dotted line manager
- Routes to you
 - Fully editable



1801.23

Review form



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21

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Section-by-section, highlight what is on the form

Transition to next slide: "Writing the review is the first step in the process. Let's take a look at what needs to happen from here, as reflected in the 'approval routing' section"

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Review form

Header



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21

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Section-by-section, highlight what is on the form

Transition to next slide: "Writing the review is the first step in the process. Let's take a look at what needs to happen from here, as reflected in the 'approval routing' section"

1861.25

Review form

Previous Goals



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21

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Section-by-section, highlight what is on the form

Transition to next slide: "Writing the review is the first step in the process. Let's take a look at what needs to happen from here, as reflected in the 'approval routing' section"

18 Jul. 26

Review form

Company
Focus Areas



21

Section-by-section, highlight what is on the form

Transition to next slide: "Writing the review is the first step in the process. Let's take a look at what needs to happen from here, as reflected in the 'approval routing' section"

1861.27

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Review form



Division
Focus Areas

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21

Apple Needs to Know: Confidential

Section-by-section, highlight what is on the form

Transition to next slide: "Writing the review is the first step in the process. Let's take a look at what needs to happen from here, as reflected in the 'approval routing' section"

18 Jul. 28

Review form



Overall
Performance

21

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Section-by-section, highlight what is on the form

Transition to next slide: "Writing the review is the first step in the process. Let's take a look at what needs to happen from here, as reflected in the 'approval routing' section"

1861, 29

Review form



New Goals



21

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Section-by-section, highlight what is on the form

Transition to next slide: "Writing the review is the first step in the process. Let's take a look at what needs to happen from here, as reflected in the 'approval routing' section"

18 Jul. 30

Review form



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Approval routing

21

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Section-by-section, highlight what is on the form

Transition to next slide: "Writing the review is the first step in the process. Let's take a look at what needs to happen from here, as reflected in the 'approval routing' section"

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Review snapshot



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22

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Explain the purpose of the "snapshot": to give managers a version of the review they can print and bring to the review conversation. (Although it is hard to read on the slide, the instructions guide managers to do this.)

Transition to next slide, which picks up from where you left off on the flowchart: "Once you get the review snapshot..."

1821.32

Review routing process
Review initiated by you



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1861.33

Review routing process

Review initiated by you

[Redacted content]

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1861.34

Review routing process

Review initiated by you



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18d.35

Review routing process

Review initiated by you

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18261.36

Performance review in myPage

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1861.37

Review routing process

Review initiated by you



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25

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Transition to this slide: "Once the employee has acknowledged the review, what happens next depends on whether they submit comments."

Walk through steps for when there are no comments and when there are comments. (Note: although the yellow border stops moving, you should walk through each remaining box on the flowchart)

18 Feb 38

Review routing process

Review initiated by you



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25

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Review routing process

Review initiated by you



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1826.40

Review routing process

Review initiated by you



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25

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Walk through steps for when there are no comments and when there are comments. (Note: although the yellow border stops moving, you should walk through each remaining box on the flowchart)

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Compensation Planning FY08

1861.42

Compensation Planning Eligibility

All employees are eligible for compensation planning except:

[REDACTED]

18 Oct. 43

Compensation Planning

Key dates

A bar chart titled 'U.S. should take action to address climate change' showing the percentage of respondents who believe the U.S. should take action to address climate change. The chart is broken down by age group (18-29, 30-49, 50-69, 70+) and gender (Male, Female). The y-axis represents the percentage, ranging from 0% to 100% in 10% increments. The x-axis lists the age groups and genders. The data shows that a majority of respondents across all age groups and genders believe the U.S. should take action to address climate change, with the highest percentages generally found in the 18-29 age group and among females.

Age Group	Gender	Percentage
18-29	Male	85%
	Female	90%
30-49	Male	75%
	Female	80%
50-69	Male	65%
	Female	70%
70+	Male	55%
	Female	60%

18 Feb. 44

Compensation Planning Strategy

Review and evaluation of your workforce provides the basis to implement a total rewards strategy.

- Base Salary
- Below-Director Performance Bonus
- Annual Stock Grant

186.45

Compensation Planning

Base salary, bonus, and annual stock grant

Base salary pays for an employee's skills and qualifications, exceptional individual achievement is rewarded with a bonus, and long-term development and retention of key talent is supported with a stock grant.



Types and levels of rewards send a strong message, both direct and indirect, plan well and know how they will be received / perceived

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Compensation Planning

Base salary

- The most basic element in each employee's compensation, it is the cost of labor.

[REDACTED]

- Base salary is not used to reward employees for Apple's overall success, or to reward employees for their exceptional individual achievements.
 - Consistently great work presents opportunities for job promotions
 - Exceptional achievement present bonus opportunities to share in Apple's overall success

1861.47

Compensation Planning

Salary increase budget



32

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Compensation Planning

Performance Bonus

- An employee with exceptional individual or team achievements should be rewarded with a bonus, this is where employees have an opportunity to share in Apple's success
- Bonuses represent the first pay type to substantially recognize and reward employees for specific, outstanding individual achievements



1824.49

Compensation Planning

Below-Director Performance Bonus

- An employee with exceptional individual or team achievements should be rewarded with a bonus, this is where employees have an opportunity to share in Apple's success
- Bonuses represent the first pay type to substantially recognize and reward employees for specific, outstanding individual achievements



1861.50

Compensation Planning

Annual Stock Grant

The primary goal of granting stock-based compensation is long-term retention.

- Annual stock should be granted to employees in whom Apple has a significant investment in development, to employees with key skill and talent, and to employees the company absolutely cannot lose

[REDACTED]

1821

Compensation Planning

Equity compensation grant by level

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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Compensation Planning

Total Compensation Approach

Tie performance, potential and total compensation together for each individual employee

1. **Introduction**
 2. **Background**
 3. **Methodology**
 4. **Results**
 5. **Discussion**
 6. **Conclusion**
 7. **References**
 8. **Appendix**
 9. **Figure 1**
 10. **Figure 2**
 11. **Figure 3**
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[REDACTED]

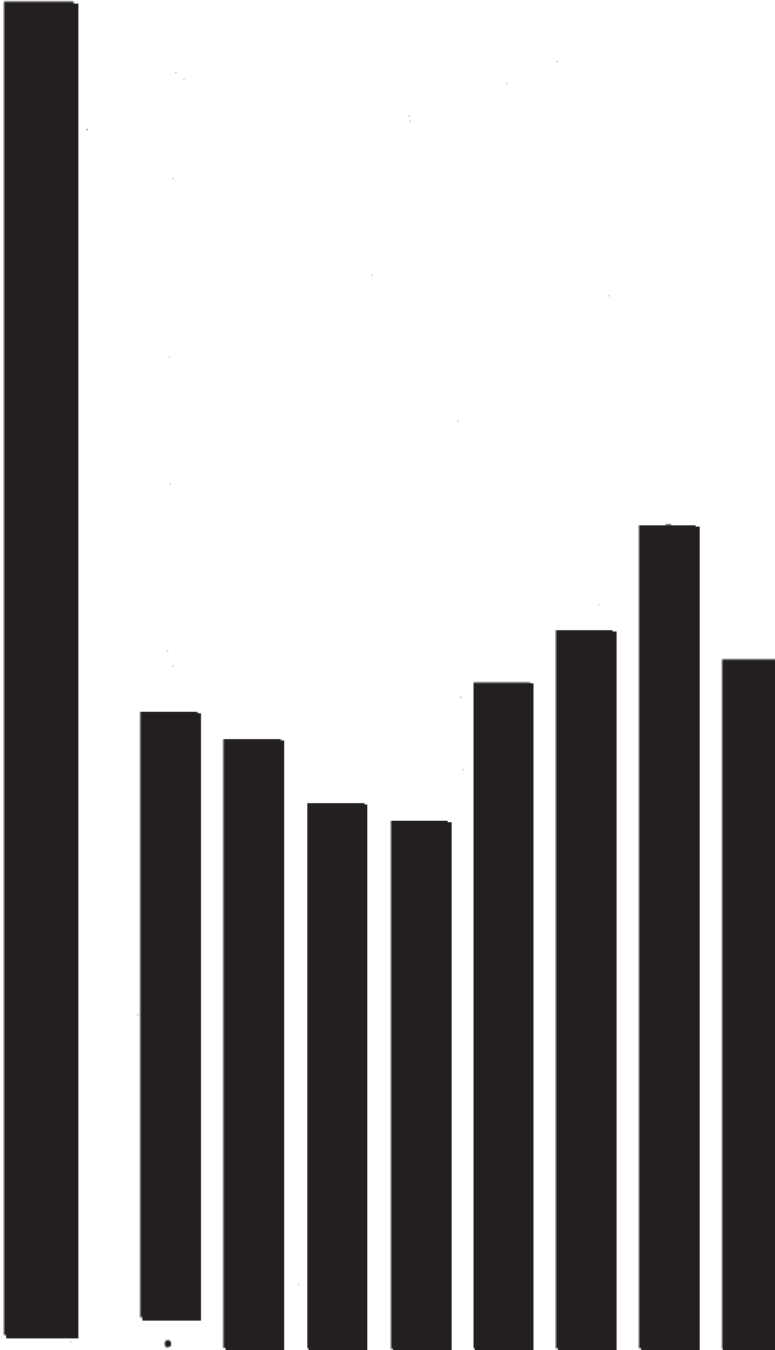
[illegible]

Compensation Planning

Total Compensation Approach con't.

Gender	Percentage
Male	85%
Female	95%

Compensation Planning



1826.55

Budget Tracking



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40

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Budgets input by HR for line VP's. Ability to track own spend

Instead of scrolling all the way to the bottom of the report section to view totals, all users will have visibility to Totals at A Glance in the static area at the top of their screen

18 Jul. 56

Employee Summary



"Employee Summary" will be available after P2A for managers to use as talking points with their employees. This one-page employee summary may be printed one-at-a time or in groups by highlighting several employees.

Only compensation elements that have changed will display. The only exception is Annual Salary; this field will display every time. However, if no bonus, then "Bonus Amount" will not display. If no options, then Stock Options will not display.

1861.57

Performance Review Conversation

Transition to this section: "Once reviews are written and compensation changes have been approved, you're ready to conduct your review conversations. Here are some tips..."

1861.58

Review conversation

Discuss performance

- Set a positive tone for the conversation by recognizing accomplishments, and discussing interests and development opportunities. These performance reviews should provide inspiration and motivation for the employee.
- Discuss progress made on previous goals
- Introduce focus areas
- Share rating and feedback on focus areas
- Share rating and feedback on overall performance
- Set new goals

184.51

Review conversation

Total rewards

- Discuss base salary increase (if applicable)
 - [REDACTED]
- Discuss bonus and/or total cash FY07 (if applicable)
 - Recognize employee's outstanding individual or team achievement
 - Recap prior achievement where a bonus was paid
- Discuss Stock Option Grant (if applicable)
 - Recognize employee's value to Apple and long-term commitment to employee's career growth and opportunities
 - Explain share grant info

1826.60

Review conversation

Tips

- Allow enough time
- Keep the conversation private
- Minimize interruptions
- Make it a two-way dialogue
- Ask for employee's perspective
- Be honest, direct, and supportive

182.61

What should happen after the review?

- Once the manager and employee have completed the Performance Review, they should set goals for the coming year. This may include business- related goals and development goals for the employee
- The manager and employee will work together to determine what development opportunities are most appropriate for the employee

12.42

Performance Review Resources

Transition to this section: "As you make your way through the review process, there are some resources available, including..."

1861.63

HRWeb

hrweb.apple.com

See HRWeb> Employee Development > Managing Performance for tools and information on:

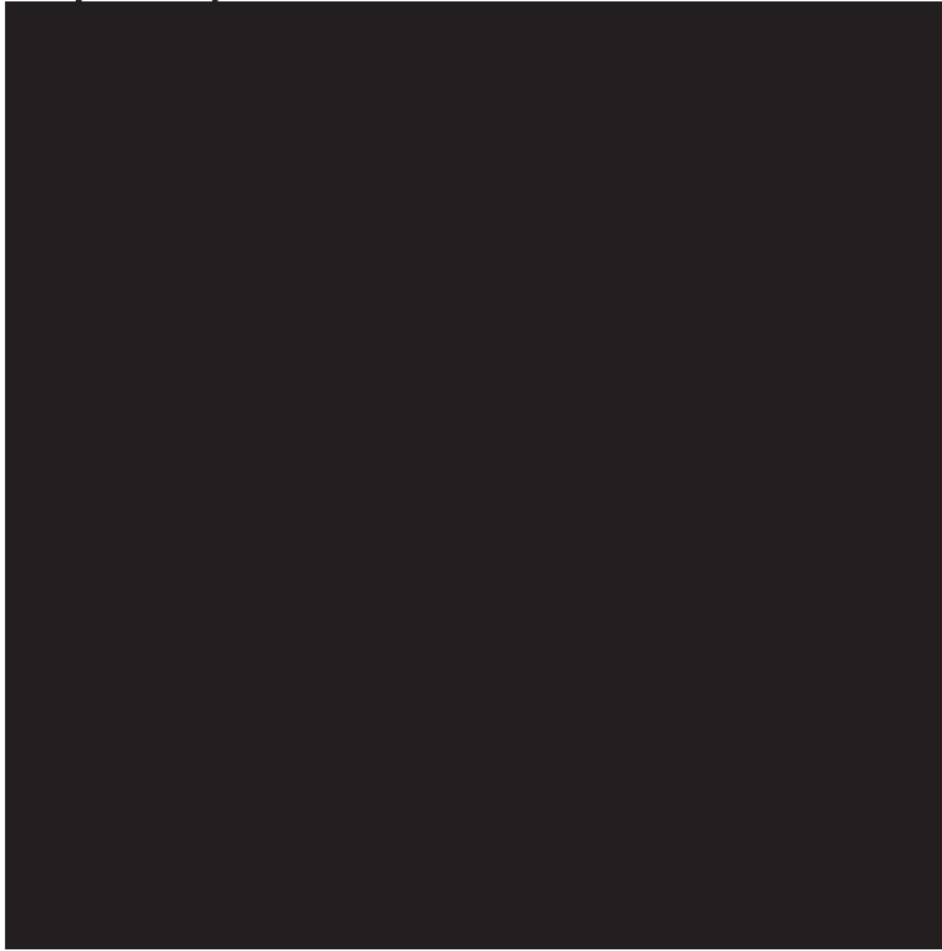
- Preparing for reviews
- Collecting employee and self-review input
- Company and division focus areas
- Making pay decisions
- Delivering reviews
- Setting goals
- Providing feedback

1861.64

myPlan

talent.apple.com/myplan

Has development ideas



18 Jul 13